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REPORT OF THE DIRECTOR OF PERSONNEL, 1945

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF DIRECTOR OF PERSONNEL,
Washington, D. C., June 30, 1945.

HON. CLINTON P. ANDERSON,
Secretary of Agriculture,

DEAR MR. SECRETARY: I respectfully submit this brief report of the Office of Personnel, covering the period beginning July 1, 1944, and ending June 30, 1945.

Sincerely yours,

T. ROY REID, *Director.*

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INTRODUCTION

THE fiscal year 1945 brought the close of the war in Europe and the approach to the end of the war in the Pacific. Wartime problems of personnel administration in the Department reached their most critical stage. The year also saw the beginning of the conversion situation, as many former employees returned from the armed forces and personnel conversion plans laid by the Department went into early operation.

The 1944-45 period marked the beginning of the twentieth year of organized personnel administration in the Department of Agriculture. Of course, personnel work is as old as the Department itself, for each who functions as executive or supervisor has a responsi-

bility for personnel management. However, it was not until 1925 that the various offices and divisions concerned with problems of personnel and finance were organized into an Office of Personnel and Business Administration.

In the fall of 1943, the Department's personnel officers, along with representative administrators and supervisory officials, met in St. Louis to review the objectives of the Department in the personnel phases of administration. They initiated adjustments to obtain greater efficiency, both in wartime personnel administration and in long-range operations, and made specific plans for meeting the personnel conversion problems which would confront Agriculture at the close of the war.

In its consideration of these matters, that group worked on the basic assumption that the then-current manpower situation and related problems as affected by the war would remain acute for at least 2 more years. It was anticipated that a second meeting would be held soon after the end of the war to review the effectiveness of these plans for the immediate postwar period and to make such adjustments as intervening experience demonstrated necessary in these and in the long-range plans of the Department.

Because it will be both appropriate and timely, a comprehensive report on personnel administration in the Department of Agriculture will be issued after the second meeting of personnel officers and representative administrators and supervisors. This forthcoming report, to be distributed widely in the Department as a better-management tool, will contain:

1. A full review of wartime personnel administration in the Department.
2. An appraisal of the effectiveness of the Departmental plans in meeting the conversion problems of personnel administration and an outline of any necessary adjustments.
3. A general examination of the long-range objectives the Department has set for itself in personnel administration—how far we have gone in achieving these objectives, and the steps to be taken in covering the remaining ground.

PERSONNEL POLICY AND ADMINISTRATION

Personnel administration is deeply grounded in the program of work assigned to the Department of Agriculture by Congress. A large staff is required to carry out these responsibilities. How well the Department does its job depends on the ability, energy, and character of its employees and on the quality of their management at all levels.

Control of personnel administration is largely vested in the Secretary, who in turn delegates to the Director of Personnel much of his responsibility for this phase of management. The working policy of the Director is to decentralize personnel operations, delegating his responsibilities for the operative phases of personnel operations to departmental and field representatives of the bureaus as quickly and as far as these various offices are able to receive and carry out such responsibilities effectively. A total of 146,872 personnel actions were effected throughout the Department in the last fiscal year, but only 1.7 percent were required to be submitted to the Director before being effected by a designated bureau employment officer. Increasingly, the role of the Office of Personnel, in its over-all responsibility for personnel administration in the Department, becomes more that of a policy, basic-procedures, and leadership agency, and less that of an agency directly handling personnel actions.

LEADERSHIP FUNCTION

In its basic role as a leadership unit, the Office of Personnel functions by coordinating and correlating personnel administration processes in the Department. On most of its responsibilities, it ensures that the resources and experiences of the bureaus are brought to bear in common on a particular problem. It thus aids in developing Department-wide uniform policies and practices that are truly representative and in the creation of which the agencies affected have actively participated. Illustrative of this approach is the functioning of several Department-wide groups with reference to special or continuing phases of personnel administration. Among these are departmental committees on deferment, meritorious promotions, work standards, personnel policy, and the reemployment of veterans; departmental councils on training and safety; and the personnel officers' advisory committee, the personnel officers' monthly staff meetings, and so on. The typical operation of such a group is described below.

DEPARTMENTAL PERSONNEL POLICY

In 1943, the Director of Personnel appointed a committee representative of various Department agencies to develop a proposed statement of the personnel policy of the Department. The committee began by analyzing the bits of policy currently in existence but scattered here and there in various circulars, memoranda, and Department regulations. Some of the applicable policy existed only in custom. The committee solicited and reviewed hundreds of suggestions and comments from all levels of employees, both in Washington and the field. The Personnel Policy of the Department was issued in 1944 as General Departmental Circular Number 34, over the signature of the Secretary and the Acting War Food Administrator.

REVIEWS OF DELEGATED AUTHORITY

Consistent with its policy of delegating personnel operations "down the line" and at the same time insuring that its basic responsibilities are carried out effectively, the Office of Personnel conducts "field reviews" of the major personnel offices. It is the objective of these field reviews to provide informed counsel and direction to bureaus in the development of uniform and improved personnel policies and procedures and to assure the proper exercise of delegated authority and other functions. During the fiscal year, 53 major field personnel offices exercising authority under the Director of Personnel's program of delegated employment, classification, and disciplinary authority, were visited and reviewed.

MANAGEMENT IMPROVEMENT AND MANPOWER UTILIZATION

An important development of the year was the inauguration and leadership by the Office of Personnel, jointly with the Office of Budget and Finance, of the Department's Management Improvement and Manpower Utilization Program. This was not a basically new program, but it represented increased and organized emphasis on obtaining improvements in management and better use of personnel in order to give impetus to the war effort. Each bureau made a self-examination of management efficiency at every level of organization, and developed a program aimed at bringing about needed improvements in management.

Leadership and coordination of Department efforts through an organization of bureau key management representatives have achieved notable success. The 906 management improvement reports submitted up to June 23 were estimated to have resulted in savings of over \$3,000,000. Many of the reports described results which could not be reduced to dollar values. A number of publications, including *A Guide to Better Management* and *What's Your Score*, were prepared. Development and results of the program up to the end of the fiscal year were described in detail to the Agricultural Appropriations Subcommittee by the Director of Finance and appear in the printed hearings of that subcommittee.

ORGANIZATION AND PROCEDURES

While most personnel functions are concerned primarily with the employee as an individual—his qualifications, experience, and competence—the development of the employee's performance depends, to a large extent, on his ability to work effectively as a member of a group. Sound organizational structure is basic to good personal and working relationships. Duties and responsibilities must be well-defined; lines of authority must be clear-cut; procedure must be drawn so as to facilitate smooth operation; and there must be adequate means of coordination.

ORGANIZATIONAL ADJUSTMENTS

Developments in the Department's war effort necessitated numerous shifts in organization, particularly in the War Food Administration. The general public interest aroused in the food program prompted the War Food Administrator to create an Office of Investigatory Services. Congress revitalized the Federal Crop Insurance Program, and major adjustments were required in order to change this program from one of liquidation to one of renewed operation. The Agricultural Adjustment Agency gave extensive consideration to the organization of its State offices in order to improve their effectiveness in administering rationing and war-service activities. The organization of the Agricultural Research Administration bureaus was reviewed in order to facilitate position classification and to give effect to wartime adjustments. The extent of organizational studies and adjustments may be measured by the fact that 183 organization charts were given final approval during this period.

RULES AND REGULATIONS

Personnel rules and regulations, originating both in the Department and in other agencies of the Government and affecting the Department, have increased steadily in volume and variety because of changing conditions, policies, and organization. Altogether some 553 pages of instructional material were issued last year.

ORGANIZATION OF OFFICE OF PERSONNEL

The organization of the Office of Personnel, which executes the Secretary's responsibilities for personnel administration in the Department of Agriculture, remained basically unchanged and continues to be comprised of six major divisions: Classification; Employment; Organization and Personnel Management; Personnel Relations and Safety; Training; and Investigations.

CLASSIFICATION AND SALARY ADMINISTRATION**CLASSIFICATION**

The sharp upswing in classification activity, which began with the fiscal year 1941-42, developed rapidly during 1943 and 1944, and reached its peak in 1945. As a consequence, to meet the increased work load effectively and quickly, two major steps were taken during 1945: (1) More progressive methods were developed for handling classification work; and (2) increasingly, classification responsibility was decentralized to bureaus with respect to both Department and field authority for position allocation. This included the inauguration in January of a general plan by which bureaus prepare their own job specifications under central guidance, supervision, and approval. The reduction in time necessary to secure final allocation of positions was material and contributed much to the flexibility which departmental agencies had to have in adjusting to changing wartime work.

SALARY ADMINISTRATION

Activity in the collection, compilation, and analysis of wage data in reference to the Department's policy of paying prevailing rates for unallocated positions, continued to be unusually heavy as a result of wartime conditions and adjustments, as did research and activities in other phases of salary administration. It was necessary, also, to anticipate needed adjustments that would follow any change the Congress might make in the compensation of Federal employees generally. One area which was receiving particular attention as the fiscal year ended, and in which it was likely that certain major adjustments would be made following completion of the necessary research and review, was the matter of salary administration for the Department's employees in the Territories and possessions.

STATUS AND MOVEMENT OF EMPLOYEES**THE GENERAL EMPLOYMENT SITUATION**

In June 1945, the total number of persons employed by the Department was 84,573. Of this total 60,932 were full-time employees within the continental limits of the United States; 10,131 were located in the Washington (D. C.) metropolitan area, and 50,801 served outside this area. The remainder of the employment total was made up of persons employed without compensation and in other nonregular employment categories. Of the regular full-time employees, 37.5 percent were women. This represented a decrease of about 1 percent under 1944 but was still some 3 percent above 1943 when the Department first began to place great emphasis on the employment of women, boys and girls, and retired employees, as a means of meeting our manpower shortage.

TURN-OVER

During this fiscal year the turn-over rate continued high, at 49.4 percent, but was not as extreme as in the year 1944. The turn-over rate for the fiscal year 1941 was 17.9 percent. In 1942 it rose to 35.3 percent; in 1943, 46 percent; and in 1944, a peak of 57.3 percent. It is obvious that the constant problems of recruitment, training, and

related matters tied into such high turn-over represented a heavy loss in terms of management expenditures by the Department.

DEFERMENT OF EMPLOYEES FROM MILITARY SERVICE

In October 1940, immediately after the passage of the Selective Service and Training Act, the Secretary appointed a Departmental Committee to pass on recommendations initiated by bureaus for occupational deferment of employees. The scope of operations and responsibility of this committee was enlarged by reason of the issuance of Executive Order 9309, March 6, 1943, which provided a uniform method of handling deferment of Government employees. Congress subsequently enacted the provisions of this Executive order into law. Members of the committee represented the phases of work in which the Department of Agriculture was primarily interested, namely, research work, food production, and food distribution.

During the fiscal years 1944 and 1945, the policy of the Government and of the Department of Agriculture with respect to occupational deferment was adjusted from time to time, as the needs of the armed forces changed. For example, in January 1944, it was the policy to be somewhat more liberal in requesting deferment for pre-Pearl Harbor fathers. Beginning in May 1944, the policy applied was more liberal with respect to registrants aged 26 through 37, and emphasis was placed on the need of the military establishments for young men. Consequently it became increasingly difficult to justify occupational-deferment requests for men under 26.

As the war progressed into 1945, it became more difficult to obtain occupational deferment for men under 30. The Department was informed in March 1945, that only a limited number of employees in the age group 18 through 29, that is, approximately 30 percent of those in that age group, who were deferred by local boards as of January 1, 1945, might be continued in deferred status thereafter. As of January 1, 1945, the Department had 589 men under 30 in occupationally deferred classification. The Committee on Deferment of Government Employees authorized the Department to continue 250 of that number in occupationally deferred status after April 1, 1945, and the number so recommended for continuance was restricted to veterinarians, processed-food inspectors, chemists, entomologists, meat graders, foresters, fire prevention and suppression assistants, and a few others scattered throughout the professional service.

POSTWAR PERSONNEL CONVERSION PROBLEM

While it was recognized that the end of the war would bring a tremendous "personnel conversion" program, it was felt that departmental plans laid some time before to handle the situation would enable the Department to cope with the matter effectively. As of June 30, 1945, the Department had contributed 17,972 men and women to the armed forces, including the Merchant Marine Service. Of this total, the largest number (19.5 percent) were from Farm Security Administration, the second largest (19 percent), from Soil Conservation Service. By June 30, 1945, 1,003 of the employees on military furlough had returned to the Department and had been restored to their former positions or to positions of like seniority, status, and pay.

As of June 1945, approximately 8,000 employees had transferred

from the Department, with civilian reemployment rights. In contrast to this group and that on military furlough, it was estimated that on June 30, 1945, 35 percent of the Department's employees had a war-service status; the war-service employee was appointed for the duration of the war and 6 months thereafter. He was subject to transfer or to separation from the Department on the return to the position held temporarily by him, of an employee who had been on military furlough or who had transferred, with civilian reemployment rights, to another agency.

A plan is under consideration which provides that present employees of the Department who become displaced, as a result of curtailment in work or by the return of former employees with reemployment rights, will be eligible to be considered for reappointment in the Department before an outside applicant.

RETURNING VETERANS

Careful plans were developed for the effective handling of the returning veteran and were put into operation during 1944-45. Almost 6 percent of the Department's employees on military furlough had already returned to duty by the end of that fiscal year. The provisions of veterans' legislation were studied carefully and appropriate regulations were issued. It is the policy of the Department to live up to the full spirit of veterans' legislation as well as to the letter of the law, and to interpret every regulation as generously as possible. Most of the approved recommendations with reference to employees returning from the armed forces, agreed on at the 1943 conference of Department personnel officers and administrators, have been incorporated since that time into laws or into regulations issued either by the Civil Service Commission or by the Department independently.

In connection with plans for veterans providing for the orderly restoration of such former employees to jobs, and for the solution of specific problems related to their return, much time and attention has been devoted to informing administrators and supervisors as to the rights and privileges of the veteran and the most effective ways for helping him adjust to the situation. A handbook, entitled "What to do when the Veterans Return to their Jobs in the Department of Agriculture," Administrative Series No. 4, has been prepared for employment officers and supervisors and will aid considerably in handling this general matter satisfactorily. An Advisory Committee on Reemployment of Veterans, representative of the several bureaus, has kept constantly alert to needed adjustments in plans.

An agreement was worked out with the Veterans' Administration to permit agencies of the Department to train veterans under the provisions of Public Laws 16 and 346, Seventy-eighth Congress. Consequently, the Department's employees returning from the armed forces can take advantage of the provisions of these laws while being trained or retrained for work in the Department.

DEPARTMENT-WIDE PLACEMENT PROGRAM

Plans for a Department-wide placement program were developed in 1945, with the cooperation of the several bureau personnel offices. The program was put into operation but not enough time has elapsed for an adequate appraisal of its effectiveness.

RECRUITMENT

In the period immediately following the war there will be a shortage of trained personnel for many of the Department's professional fields. The young people who normally would have been coming from the colleges, and particularly from the land-grant colleges, have been in the armed forces. To help meet this need, the Land-Grant College—Department (of Agriculture) Committee on Training for Government Service has worked closely with the Association of Land-Grant Colleges and Universities in pointing out qualification requirements of professional, scientific, and technical positions in the Department. In addition, on-the-job training will be stressed, and the Department of Agriculture Graduate School has begun to expand the training opportunities in its appropriate departments.

RETIREMENT

The Department recognizes that much remains to be done in the development of a planned retirement program and has this on its calendar as an undertaking to receive major attention. In addition to its importance per se, the significant relationships of such a program to the problems of "personnel conversion" and full employment are obvious. Such a program, already in operation to some degree in several bureaus, will include: The encouragement of early retirement at a time advantageous both to the employee and to the Department; aggressive action with respect to employees who are prevented from rendering satisfactory service by physical or mental disability; early preretirement counseling to assist employees in planning and making adjustments to the anticipated change in their status; and provision of effective liaison with the Department by mechanisms which will keep retired employees in touch with the work of the Department.

INVESTIGATORY ACTIVITIES

In an agency the size of the Department, the investigative work necessary is extensive. During the year a total of 2,445 investigations were made at the Department level. These were comprised of loyalty-character investigations, pre-employment inquiries, investigations of alleged fiscal or other irregularities, and special investigations. In accordance with the established policy of delegation, the Director has authorized bureaus to take a considerable variety of disciplinary and related actions. Under this policy, bureaus handled 455 cases, and referred 677 for departmental consideration.

During the war, because of reduced funds and personnel and the need in investigative work of placing great emphasis on the making of loyalty-character investigations of employees engaged in activities of a confidential nature having a direct relation to war work, other phases of the Department's operations were not given the attention they would otherwise have had.

TRAINING

Numerous factors added to the need in the past fiscal year for still greater emphasis on broad and practical training for employees. Because of the continuing high rate of employee turn-over, it was necessary to help meet manpower shortages by using as replacements a greater number of inexperienced younger persons, older workers, and physically handicapped persons. Greater stress had to be placed also

on the training of regular employees for more difficult and more important tasks, and on the training of supervisors in better work methods and employee relations in order to compensate for the shortage of workers.

WORK-IMPROVEMENT PROGRAM

One of the channels through which heavy contribution was made to the increased utilization of employee skills was the work-improvement program. Central institutes were held to develop bureau trainers in job-instruction training, job-methods training, and job-relations training. These trainees then held similar institutes for supervisors of their respective bureaus. From the establishment of these programs in the Department in 1943-44 until the end of the fiscal year 1945, a total of 24,618 supervisors had participated in one or more of these intensive programs.

BUREAU TRAINING ORGANIZATION

Increased emphasis was placed on the development by bureaus of coordinated, organized training programs. Illustrative of this progress are the newly developed bureau training councils and newly appointed training officers. Eight new bureau councils were established and the number of training officers in bureaus increased by almost 50 percent over the previous year.

EDUCATION

The interest of the Department in the development of its employees is evidenced by continued progress in another channel through which it provides for development of knowledge and skills—the Department of Agriculture Graduate School. Entering its twenty-fifth year of service in 1945, the Graduate School in the last fiscal year had almost 6,000 individual students, whose interests were distributed among the departments of Biological Sciences, Engineering and Mechanical Arts, Languages and Literature, Mathematics and Statistics, Office Techniques and Operations, Physical Sciences, Public Administration, and Social Sciences.

This self-supporting institution operates under a General Administration Board appointed by the Secretary of Agriculture. The educational courses are organized and supervised by officials of the Department and are offered after official hours, using Government facilities as authorized by congressional acts. Educational counselors in each bureau advise with employees as to the availability and pertinence to individual needs of educational opportunities in this and other institutions.

HEALTH AND SAFETY

If maximum productivity is to be maintained, careful attention must be paid to the physical welfare of employees. Programs to prevent injuries and illnesses can be more than justified on the purely dollars-and-cents grounds of the reduction in compensation and sick-leave costs which they produce, as well as on humanitarian grounds. The Department should do much more toward meeting these objectives.

HEALTH

Prospects for obtaining the necessary authority and funds to inaugurate a positive health-improvement program looked brighter at the

close of the last fiscal year than in prior years. With limited staff and facilities, as much as possible was done to develop health counseling, to encourage the establishment of emergency rooms or first-aid stations where needs demand such facilities, and to constantly supervise the activities of existing units. With the cooperation of the United States Public Health Service, a complete survey was made of the Department's present needs and program, to determine the adequacy of the present program and to establish what steps should be taken in the event legislation is passed for a full health program.

FARM AND EMPLOYEE SAFETY

Close cooperation with the National Safety Council has resulted in a joint effort to establish on what is likely to be a permanent basis the National Farm Safety Week proclaimed by the President of the United States and implemented by a full educational program through magazines, newspapers, radio networks, and the efforts of other governmental agencies. While the tempo of operations has stepped up under wartime employment conditions, departmental personnel engaged exclusively in safety work had dropped by 1945 to 20 percent of that employed in 1941. This placed a great burden on safety organizations.

To help "hold the line" under these conditions, and to lay the ground work for long-time programs in the field of safety, a Departmental Safety Council was developed in 1944 and reached full operation efficiency in 1945. Composed of representatives from each of the bureaus, this council has completed a thorough review of the Departmental Safety Program and has effected adjustments dictated by the review which were possible under wartime conditions. In 1944, cost of compensation benefits rose 3 percent over the previous year; the direct cost per employee was up 12 percent; the rate per \$100 pay roll increased by 10 percent; and fatal injuries had risen by 20 percent.

EMPLOYEE SERVICES

The Department is fully committed to the policy of giving official encouragement and aid to activities which contribute to broad personal development of employees. This policy derives from the conviction that the improvement of employee health, mental direction and attitudes, and general morale will pay dividends in better public service. Because of the stresses and strains of the wartime personnel situation, the Department found it necessary to place greater emphasis last year than ever before on carrying this policy into active, successful operation.

Through an organization of bureau contact officers, extensive services were made available to employees in connection with individual needs with respect to housing, transportation, child day care, personal counseling, and general recreational activities. Through these same channels, blood-donor campaigns, war-bond drives, and similar undertakings were carried forward successfully. In Washington an Employee News Bulletin helped extensively in providing employees with information as to city-wide and community recreational, educational, and religious opportunities.

The Department's approximately 25 organized employee groups continued to render effective service in most instances, though war conditions have limited some types of activities. The largest of such groups

are the Welfare Association, which operates the cafeterias in the Department and makes emergency loans to employees and grants to athletic and recreational activities; the Credit Union; and the Beneficial Association.

The Department recognizes that in the area of employee services it has been possible to do much more for employees in Washington than for the far larger group in the field service. Though this is quite natural, the Department bit by bit is strengthening its program for field employees. The two chief channels for operating to this end are the USDA Clubs and the USDA Newsletter. Department employees were active in the affairs of 80 USDA Clubs in 39 States and in Puerto Rico. A USDA Club Guide was prepared as a handbook for use in organizing USDA Clubs and in promoting effective administration of those in operation. The departmental publication USDA was read by a greater number of employees than at any time since its inauguration in 1942.

EMPLOYEE RELATIONS

Many problems and questions arise which affect an employee's relationship to his job and to those who direct his activities. Good management must make a sincere effort to adjust these situations satisfactorily and fairly. Department policy and practice insure that employees have access to responsible officials to discuss problems affecting their individual status and welfare. In seeking such discussion, an employee proceeds through regular supervisory channels by consulting first his immediate supervisor; then, if necessary, proceeding to the unit, section, or division head as the case may be; and he may appeal finally to his bureau chief and to the Director of Personnel.

The Department's employee-relations policy is both preventive and curative, not merely the latter. It places emphasis on the responsibility of every supervisor for effective employee relations with those whose work he directs. Chief avenues for such emphasis are programs which develop the sensitivity of supervisors to employee-relations problems and train them in a philosophy of supervision which insures dealing with employees in an atmosphere of frankness.

That comparatively few grievance cases reached the departmental level reflects credit on the bureaus for adjusting grievances and potential grievances before they reached an acute stage. The Department Board of Review heard the appeals of efficiency ratings of 38 persons from the field service and 25 in the departmental service. Of this total of 63 cases, 2 were pending at the close of the fiscal year and 14 had been withdrawn by employees or closed by the Board because of the employee's failure to follow through. In the 47 remaining cases, the Board raised the ratings in 22 and sustained the rating given in 25. Other types of employee grievances are handled by machinery separate from that on efficiency ratings. In this category, there were 48 appeal cases, of which 45 were adjusted without formal hearings. In the 3 formal cases, the agency was sustained in 2 instances and the third was referred for handling as an investigative case.

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